




**Letter to the Editor: ComEd customers benefited from carbon-mitigation credits, ComEd CEO Gil Quiniones, Crain's Chicago Business, May 18, 2023**



## Letter to the Editor: ComEd customers benefited from carbon-mitigation credits



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Crain's May 10 article on the significant carbon mitigation credits (CMCs) paid to our customers contained information that must be corrected. For starters, the headline suggests ComEd customers are being asked to return all of the credits they received plus interest, which is simply false. I will come back to that.

Illinois' Climate & Equitable Jobs Act created the CMCs to help sustain carbon-free nuclear plants when energy prices are too low to support them. Conversely, when energy market prices are high, the plant owners pay utility customers. As a result,



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The amount of the credit is based on forward market prices, and the credits are later reconciled when actual energy prices become known. Last year, forwards were high, and the resulting credits turned out to have been too large. That is how the program works. It uses the same types of forwards used by the Illinois Power Authority and the Illinois Commerce Commission to evaluate energy procurement bids. And the interest and reconciliation processes were reviewed and approved by the ICC in an open process during which no party objected.

Crain's claim that the CMCs are a profitmaking opportunity for ComEd is just plain false. ComEd provided \$2.4 billion of bill credits during that period, although over that time we received only \$1.3 billion from the nuclear plants. We financed the balance — for which ComEd received no interest or repayment from June through December 2022. The cost of financing that balance was a loss for ComEd.

During 2023, we will receive interest on the unpaid balance at 5% — a rate set by the ICC, not an "adder." Even then, our cost of financing is more than 5%. From January through May 2023, we project that ComEd will finance an average balance of \$1.1 billion at a cost of about \$30 million, of which we will collect only about \$20 million.

The good news is the CMCs have saved customers \$1.3 billion, and that was the right and fair outcome.

Although we provided these facts to Crain's, they were left out of the article, leaving readers ill-informed, including about the steps we take to provide customers industry-leading value and total bills that rank among the lowest in the nation.



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